

RESOLUTION NO. 2003- 174 R

A RESOLUTION OF THE CITY OF VICTORIA ENDORSING THE SUSPENSION OF THE EFFECTIVE DATE OF AEP TEXAS CENTRAL COMPANY'S REQUESTED RATE CHANGES, TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH OTHER CITIES WITHIN CENTRAL POWER AND LIGHT COMPANY'S SERVICE TERRITORY; AUTHORIZING INTERVENTION IN THE PROCEEDING AT THE PUBLIC UTILITY COMMISSION; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY; AND DECLARING AN EFFECTIVE DATE.

On or about November 3, 2003, AEP Texas Central Company's affiliated transmission and distribution company, filed with the City of Victoria and the Public Utility Commission of Texas a request to change electric transmission and distribution rates in all municipalities within the service territory of AEP Texas Central Company; and

It is reasonable for the City of Victoria to cooperate with other cities in a review of the Company's application and work with the AEP Cities Steering Company to coordinate the hiring and direction of legal counsel and consultants and to negotiate with the Company and direct any necessary litigation; and

The Public Utility Regulatory Act grants local regulatory authorities the right to suspend the effective date of proposed rate changes; and

The Public Utility Regulatory Act provides that costs incurred by Cities in ratemaking activities are to be reimbursed by the regulated utility; and

The Public Utility Regulatory Act grants local regulatory authorities the right to intervene in rate proceedings filed at the Public Utility Commission.

THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF THE CITY OF VICTORIA, TEXAS:

1.

That the effective date of the tariff changes submitted by AEP Texas Central Company on or about November 3, 2003, be suspended for ninety (90) days to permit adequate time to review the proposed changes and to establish reasonable rates.

2.

That the City is authorized to cooperate with other Cities within the AEP service territory and to work with the AEP Cities Steering Committee regarding the determination of reasonable rates and to participate in any necessary litigation associated with an appeal of a rate ordinance and the rate case filed at the Public Utility Commission.

3.

Subject to the right to terminate employment at any time, the City of Victoria hereby authorizes the hiring of Geoffrey Gay and Steven Porter of the law firm of Lloyd, Gosselink, Blevins, Rochelle, Baldwin & Townsend, and qualified consultants and witnesses as may be necessary to review AEP's filings, to represent the City of Victoria at the PUC to participate in any and all settlement discussions that may precede or occur after the Company makes its filing and to prosecute any appeals as directed by the Steering Committee.

4.

Fees and expenses incurred by the City of Victoria in AEP ratemaking matters related to these proceedings shall be promptly reimbursed by AEP pursuant to the Public Utility Regulatory Act.

5.

The City is hereby authorized to intervene in AEP's rate case filed at the Public Utility Commission on or about November 3, 2003.

6.

A copy of the suspension resolution shall be sent to the local representative of AEP Texas Central Company's transmission and distribution company and to Pam Horn, Lloyd, Gosselink, Blevins, Rochelle, Baldwin & Townsend, fax (512) 472-0532, email: phorn@lglawfirm.com.

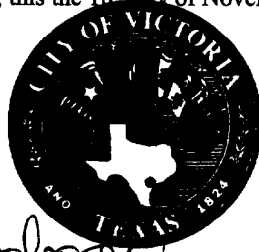
PASSED, this the 18th day of November, 2003.

AYES: 6

NAYS: 0

ABSTENTIONS: 0

APPROVED AND ADOPTED, this the 18th day of November, 2003.



ATTEST:


SCARLET SWOBODA, City Secretary

Distribution: Legal Department



GARY MIDDLETON, Mayor of the
City of Victoria, Texas

APPROVED AS TO LEGAL FORM:



DAVID ATMAR SMITH, City Attorney

Copies Sent: NOVEMBER 19, 2003